



Agricultural Investment Opportunities in Malawi

Pigeon Pea Business Case

December 2012





Abbreviations and Acronyms

Abbreviations and acronyms used in this Business Case are defined below

ACE	Agricultural Commodity Exchange
ASWAp	Agricultural Sector Wide Approach
bn	Billion
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CGIAR	Consultative Group on International Agriculture Research
EU	European Union
FUM	Farmers Union of Malawi
GBI	Green Belt Initiative
GBP	British Pound Sterling
GDP	Gross Domestic Product
GoM	Government of Malawi
ha	Hectare
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
MGDS II	Malawi Growth and Development Strategy II
MITC	Malawi Investment and Trade Center
mn	Million
MoAFS	Ministry of Agriculture and Food Security

MoLH	Ministry of Lands and Housing
MT	Metric Tons
NASFAM	National Smallholder Farmers' Association of Malawi
NES	National Export Strategy
SADC	Southern African Development Community
SHF	Smallholder Farmer
TSWAp	Trade Sector Wide Approach
UK	United Kingdom
USD	US Dollar



Objectives of This Document

- Provide an **introduction to Malawi** and highlight the potential that exists in Malawi's **agriculture sector**
- Showcase a **high-level investment opportunity in Pigeon Pea production** for local, regional, and international investors that are interested in **strategic investments** in the agriculture sector
 - Outline the relevant **market opportunity, investment overview, and enabling environment**, for the investment
- Provide **contact information for prospective investors** interested in this or other opportunities in Malawi's agribusiness sector



Content

- **Why Invest in Malawi**
- Pigeon Pea Investment Opportunity
- Contact Information



Why Invest in Malawi

Overview of Malawi

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Malawi is a Southern African country of 15 million people, which has a diversity of topographies and is home to the third largest lake in Africa

- Malawi, the “Warm heart of Africa”, is a Southern African country with a population of **15.4 mn people**
- It has a land area of **118,500 square kilometers**, comparable in size to the U.S. state of Pennsylvania
- The **capital city is Lilongwe**, and the second largest city, Blantyre, is the center for commercial activity
- **Lake Malawi**, the third largest lake in Africa, and Lake Chilwa cover **~21% of Malawi's land area**
- Though it is small, Malawi boasts a **widely diverse topography and scenery**, ranging from sweeping lake views, breathtaking woodlands and unique cityscapes
- The official language of Malawi is **English**, but Chichewa is also widely spoken



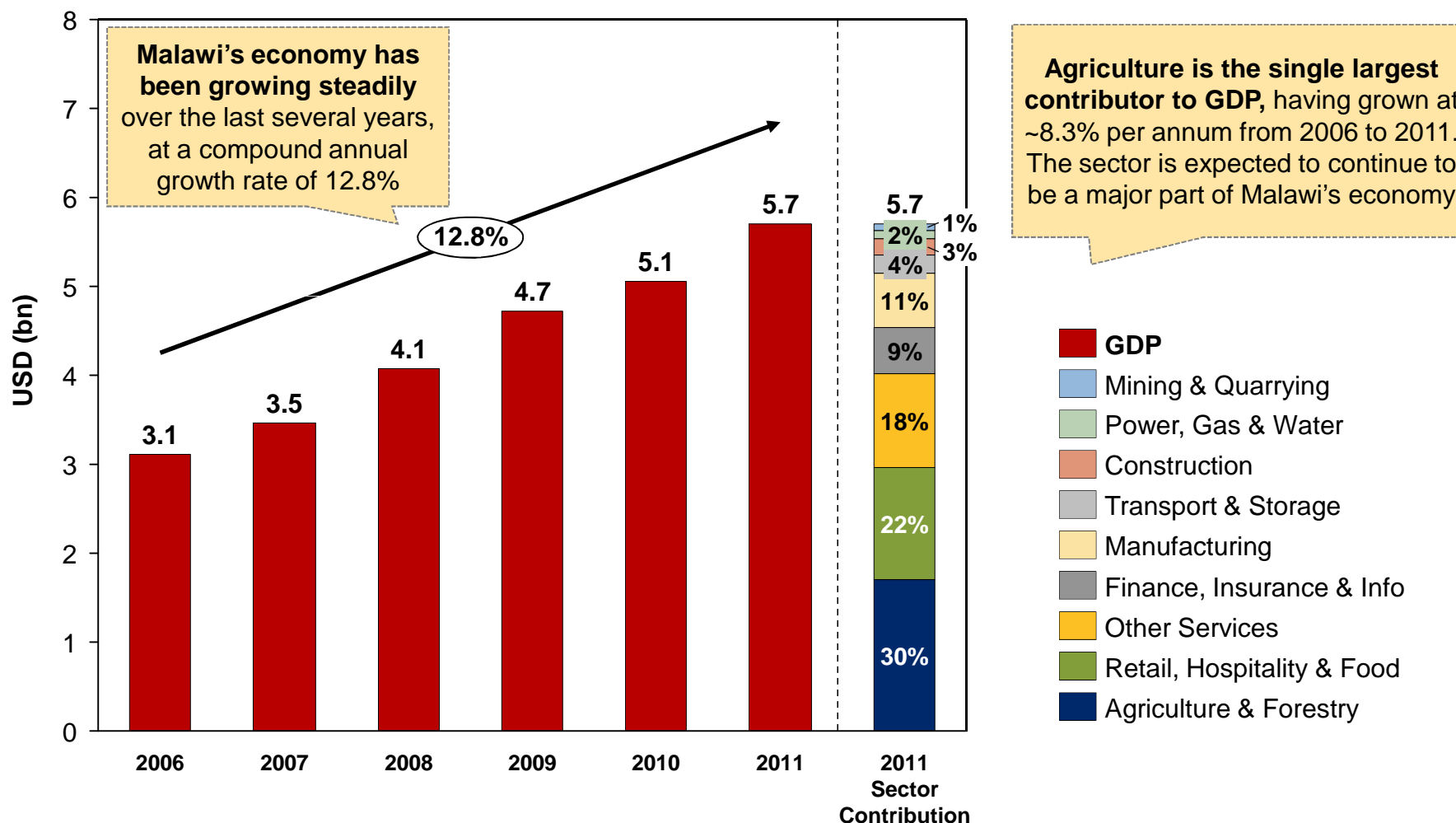


Why Invest in Malawi

Growing Economy and Agriculture Sector

It's economy has experienced consistent growth over the last several years, with agriculture being an important contributor, representing 30% of GDP in 2011

Annual GDP of Malawi, and Sector Contribution for 2011



Note: GDP is given in current prices

Source: World DataBank; World Economic Outlook



Why Invest in Malawi

Favorable Conditions for Agriculture

The country possesses significant resources that support diverse crops, such as good water supplies, vast land resources, favorable agro-ecological conditions and capable farmers

Abundant Water Supply



- Lake Malawi and lake Chilwa cover over 20% of Malawi's land area
- There is significant potential for irrigation in the Shire River Valley for winter cropping
- If irrigation is fully implemented, Malawi has enough water to become completely food independent

Available Arable Land



- Malawi has 3.6 million ha of arable land, of which 2.1 million is already under cultivation
- 42% of potentially productive land is yet unused, presenting vast potential to increase agricultural output

Good Agro-Ecological Conditions



- Malawi has five distinct agro-climatic zones: Highlands, Escarpment, Plateau, Upper Shire Valley, and Lower Shire Valley
- These regions have different soil textures and rainfall patterns, and support a mix of crops including cereals, legumes and an assortment of cash crops

Ingrained Agrarian Culture



- 90% of Malawi's population is engaged in agriculture
- The majority of farmers possess at least basic skills in agriculture
 - Farmers require training in improved methods
- Malawi's smallholder farmers (SHFs) are commercially inclined and respond to markets, growing crops they can sell



Content

- Why Invest in Malawi
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Pigeon Pea Investment Opportunity

Introduction

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Investment Overview

The investment opportunity is a **Greenfield investment into pigeon pea production through an anchor farm and accompanying out-grower scheme**. The anchor farm will consist of 2,000 ha of land with an additional 1,000 ha serving as land for SHF out-growers. **Excellent market opportunities exist for the supply of pigeon peas**, both **domestically**, to local processors for value addition, and **globally**, due to high demand in Asia, particularly in the Indian market, which is the largest producer and consumer of pigeon peas. **Malawi**, already being the **third largest producer of pigeon peas worldwide**, is in a good position to further increase its volumes and serve this demand. The **investment amount** is estimated at **USD 33 million** to develop the anchor farm, purchase all necessary machinery, equipment and inputs, as well as to hire and train farm workers to cultivate the land. **Smallholder farmers (SHFs)** involved in the investment **will benefit significantly**, both in terms of employment generation and improvements to their livelihoods



Pigeon Pea Investment Opportunity

Executive Summary

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1

Market Opportunity



- **Malawi is the third largest producer of pigeon peas worldwide**, after India and Myanmar, and dominates the African production landscape. **Production growth averaged ~10% per annum** from 2006 – 2010
- There is **high demand** for pigeon peas **domestically and globally**. **Insufficient supply to local processors** has resulted in capacity utilization of only ~50%, while demand in Asia, particularly **India's growing supply gap of ~7%**, offers a large market for the export of pigeon peas

2

Investment Overview



- The opportunity is a **Greenfield investment into pigeon pea production**, based on the development of a **2,000 ha anchor farm** with an additional **1,000 ha out-grower scheme**, to be located in the **southern region** of Malawi
- The **investment required is estimated at USD 33 million** to cover the costs of developing irrigation infrastructure, purchasing machinery, equipment and inputs, as well as hiring and training the labor force

3

Enabling Environment



- There are a number of **specific programs in place** that will **support the investment into pigeon pea production**
- These programs will **support improvements along the value chain**, specifically by improving **access to improved inputs, access to irrigation, and market linkages** to support the sale of produce both domestically and globally



Pigeon Pea Investment Opportunity

Market Opportunity

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1

Market Opportunity



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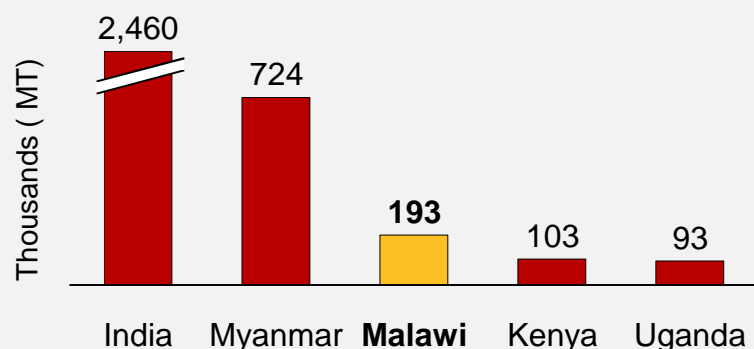


Malawi's Pigeon Pea Production Potential

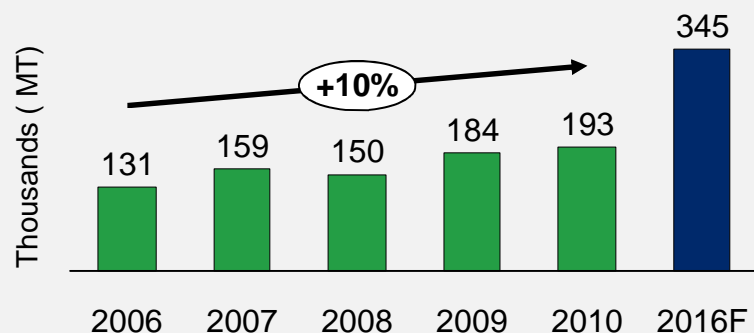
Malawi is the third largest producer of pigeon peas worldwide and has potential for increased production through the use of improved seed and better farming practices

Global Comparison of Production

Top 5 Global Pigeon Pea Producers (2010)



Malawi's Historical and Forecast Production



Cultivation of Pigeon Peas in Malawi

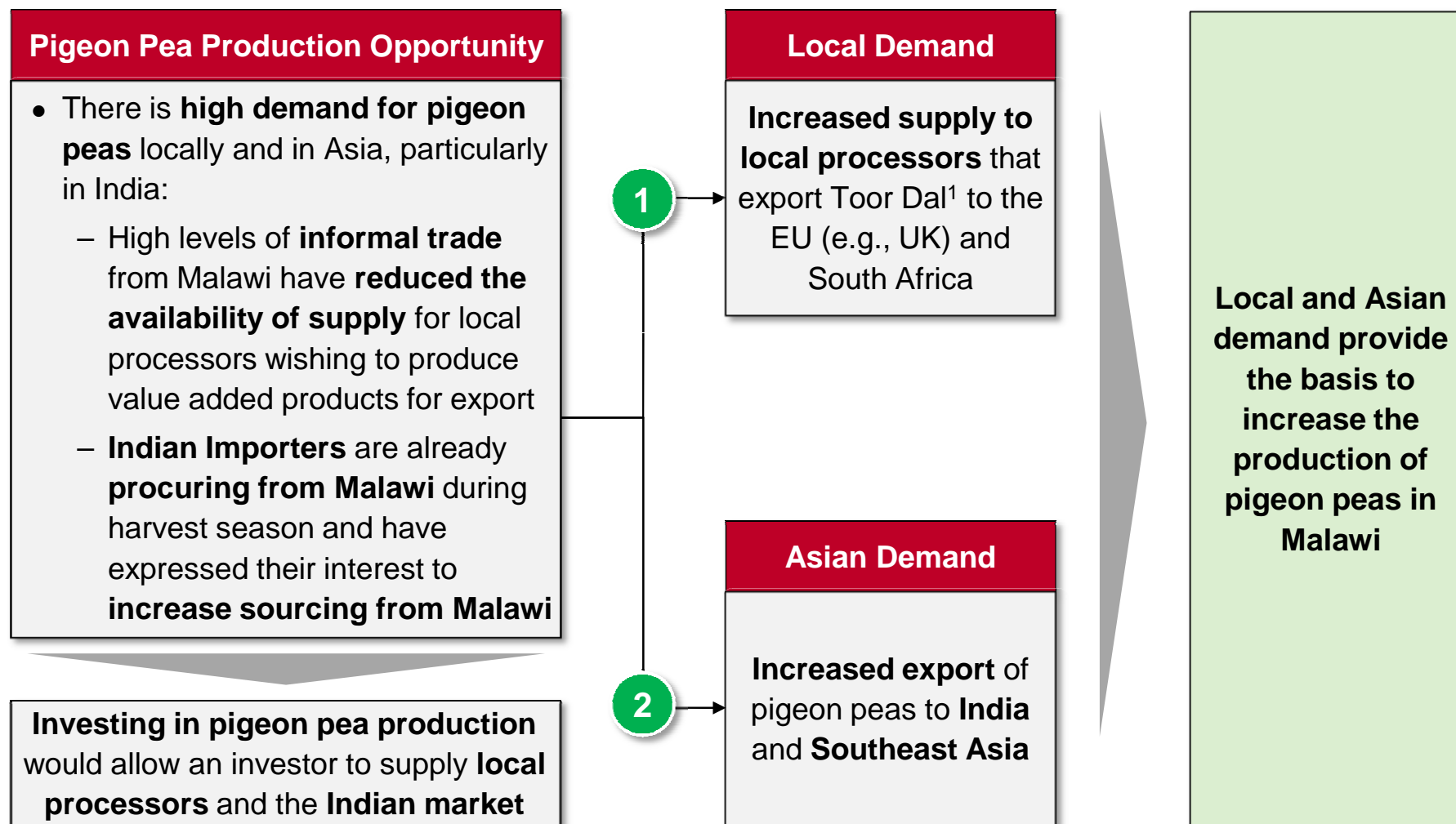
- Malawi is the **major pigeon pea producer** in Africa and, after India and Myanmar, the **third largest producer of pigeon peas worldwide**
- Regionally, **Tanzania is the closest competitor** but only produces 39,000 MT, 20% of Malawi's output
 - As a result, **Malawi has a strong competitive advantage** in pigeon pea production that can be leveraged to **increase its role in global markets**
- **Production grew at a rate of ~10%** between 2006 and 2010, leading to **2016 forecast volumes** of approximately **345,000 MT**
- Malawi could **increase its production even further** through:
 - Increased uptake of **improved seed** and better **farming practices**
 - **Scaling up** of production through **private sector involvement** and use of out-grower schemes



Market Opportunity

Demand for Malawian Pigeon Peas

High demand exists locally, with processors experiencing significant supply deficits, as well as in Asia, particularly India, where pigeon peas are required to meet high levels of consumption



Note: ¹ Split pigeon peas being an important source of protein to a vegetarian diet and a popular food in India

Source: Expert Interviews; Imani Development; ICRISAT; Monitor Analysis



Market Opportunity

Supply to Local Processors

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Local pigeon pea processors are operating significantly under capacity, while potential exists to supply greater volumes of pigeon pea products, primarily Toor Dal, for export to the UK and EU

Increased
Production

1

Supply To Local Processors

Exports to the UK

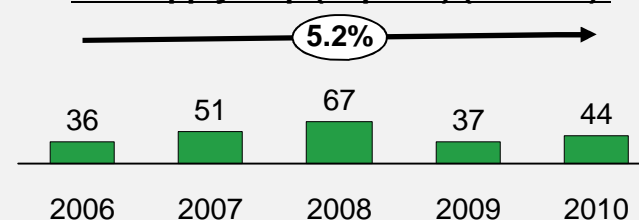
Production Opportunity

- At present, **six pigeon pea processors are operating** in Malawi:
 - Bharat Trading, Export Trading Group, HMS Foods, Patsons, Rab Processors, Transglobe Produce
- All companies are **operating under capacity**, at around **50% utilization**¹
 - This is due to an **inability to purchase large volumes** of pigeon peas for processing at competitive prices, as a significant portion of **supply is exported informally** (primarily to India), **driving local prices up**, and making bulk purchases financially challenging
- As a result there is a **ready local market that could absorb the additional volumes** from an investment into pigeon pea production

Processing Opportunity

- The UK has a **supply gap for Toor Dal**, which **grew at ~5%** between 2006 and 2010
- A **significant market opportunity exists** for pigeon pea processors to supply Toor Dal to the UK
- Growth in demand for processed pigeon peas** will support further development of Malawian processors as they aim to meet this demand by increasing their purchases of **pigeon peas**, thus benefiting a production investment

UK Supply Gap (Imports) ('000 MT)²



Investing in pigeon pea production is an opportunity to **supply Malawian processors** and enable them to utilize their full capacity to **increase exports of processed goods** to global markets

Note: ¹ Capacity utilization estimates obtained through expert interviews; ² ITC data for pigeon peas includes both raw and processed forms of the product, however, given expert interviews it is understood that the majority of the exports to the UK will be of split peas or Toor Dal
Source: ITC; Expert Interviews; Monitor Analysis



Market Opportunity

Exports to the Indian Market

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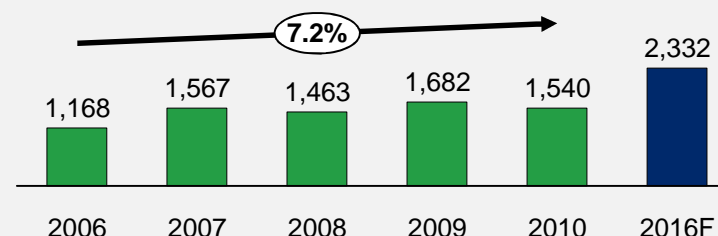
While 90% of pigeon pea exports from Malawi are already channeled to India, in addition to processing more in-country, Malawi can expand its exports to meet India's growing demand

Increased
Production

2 Pigeon Pea Exports to India

- India is the **largest global producer and consumer** of pigeon peas
- Despite its immense production volumes, India's **supply gap is increasing significantly (~7%)** as indicated by its annual imports, with **forecast imports of 2.3 million MT in 2016**
- Currently, **~90% of pigeon pea exports¹** from Malawi are destined for the **Indian market** (accounts for both formal and informal trade), indicating the huge potential that exists

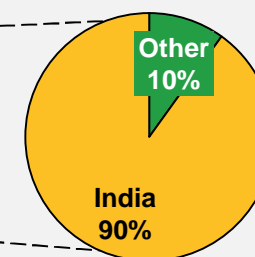
India's Supply Gap (Imports) ('000 MT)¹



Malawi Pigeon Pea Exports ('000 MT, 2010)



India's Share of Exports (%)



Investing into pigeon pea production is also an opportunity to **supply the huge Indian market** with its **high forecast growth** that is not in the position to meet its own demand

Note: ¹ ITC data for pigeon peas includes both raw and processed forms of the product, however given expert interviews, it is understood that the majority of exports to India are raw pigeon peas. Assumes local demand for processing and consumption of ~45,000 MT

Source: ITC; Expert Interviews; Monitor Analysis



Pigeon Pea Investment Opportunity

Investment Overview

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1

Market Opportunity



- Malawi is the **third largest producer of pigeon peas worldwide**, after India and Myanmar, and dominates the African production landscape. **Production growth averaged ~10% per annum from 2006 – 2010**
- There is **high demand for pigeon peas domestically and globally**. **Insufficient supply to local processors** has resulted in capacity utilization of only ~50%, while demand in Asia, particularly **India's growing supply gap of ~7%**, offers a large market for the export of pigeon peas

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Investment Overview



- The opportunity is a **Greenfield investment into pigeon pea production**, based on the development of a **2,000 ha anchor farm** with an additional **1,000 ha out-grower scheme**, to be located in the **southern region** of Malawi
- The **investment required is estimated at USD 33 million** to cover the costs of developing irrigation infrastructure, purchasing machinery, equipment and inputs, as well as hiring and training the labor force

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Enabling Environment



- There are a number of **specific programs in place** that will **support the investment into pigeon pea production**
- These programs will **support improvements along the value chain**, specifically by improving **access to improved inputs, access to irrigation, and market linkages** to support the sale of produce both domestically and globally

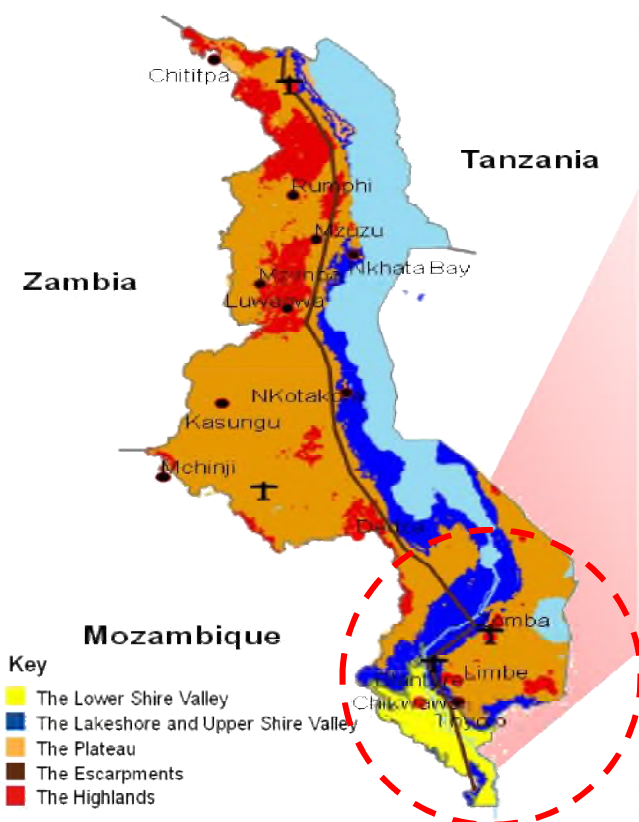


Investment Overview

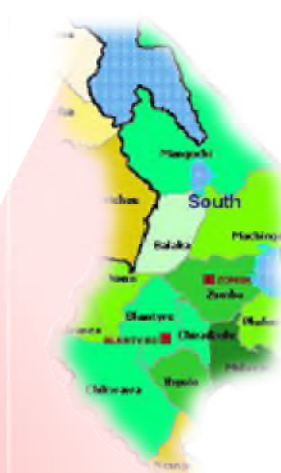
Overview of Pigeon Pea Production Investment

The potential location for an investment in pigeon pea production is based on suitable agro-climatic conditions, a high number of SHFs growing the crop, and good access to markets

Agro-Ecological Map of Malawi



Primary Area Under Cultivation



The Investment Location

- Pigeon peas grow well in hot, humid climates and thrive under rainfall of 600-1000mm, all found in the **Lakeshore and Upper Shire Valley** region
 - **The highest concentration of pigeon pea cultivation** occurs in this region, with Blantyre, Machinga and the Shire Valley accounting for **98% of Malawi's total area under cultivation**, facilitating SHF identification for inclusion in an out-grower scheme
- The potential **investment location is within close proximity to local processors**, in Blantyre and Limbe, as well as to the **railway** used for exports to e.g., India via the Nacala port
- The area's **suitability for irrigation** (proximity to water supply from the Shire river and focal area of the GBI¹) will enable the use of intensive farming practices to **increase yields and output**
- **The region is, therefore, well-suited to an investment in pigeon pea production**

Note: ¹ Green Belt Initiative – government program to increase the land area under irrigation

Source: SADC Multi-Country Agricultural Productivity Programme, "Analysis of the Agricultural Technologies and Dissemination Situation of Malawi," 2007; ICRISAT, "Assessment of the Current Situation and Future Outlooks for the Pigeon pea Sub-sector in Malawi"; Monitor Analysis

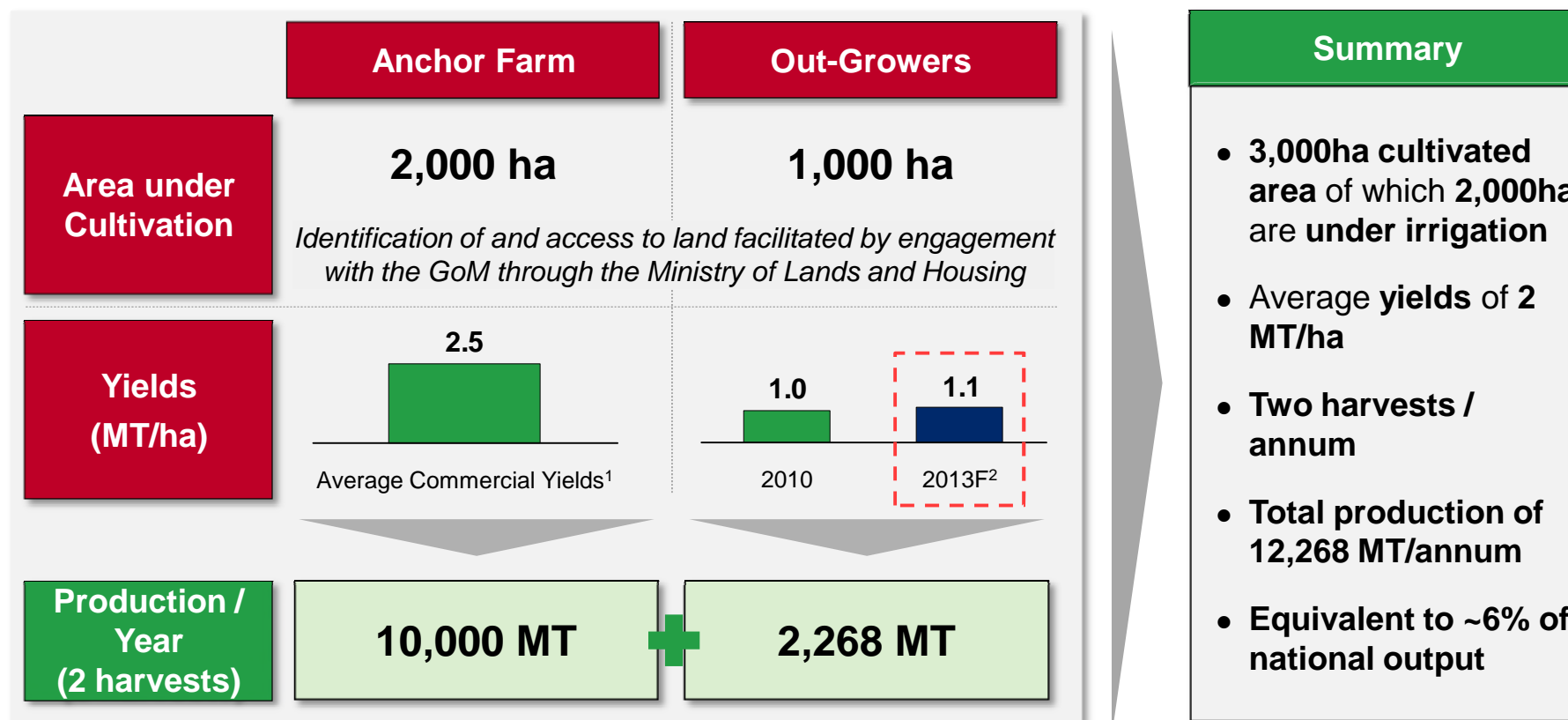


Investment Overview

Anchor Farm Production Model

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The investment opportunity is to establish a pigeon pea anchor farm with an accompanying out-grower scheme, with expected annual production volumes of ~12,300 MT



The investment would produce close to **12,300 MT/annum**, ~6% of national output, making the investor a **major actor in the Malawian pigeon pea production landscape**, particularly given the **absence of any commercial competitors**

Note: ¹ Under irrigation; ² Forecast yields for 2013 were calculated using the yield CAGR of 3.82% between 2006 and 2010

Source: Expert Interviews; NSW Agriculture; SADC Multi-Country Agricultural Productivity Programme, "Analysis of the Agricultural Technologies and Dissemination Situation of Malawi," 2007 Monitor Analysis



Investment Overview

Market Opportunity

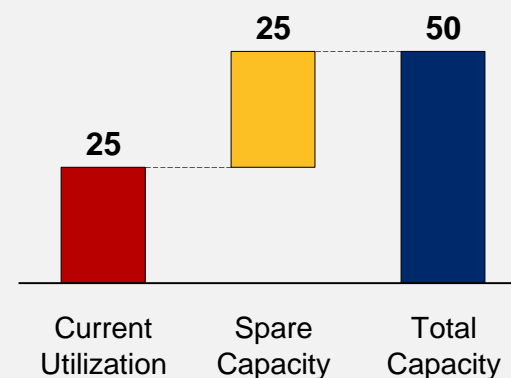
Confidential

Significant capacity underutilization amongst local pigeon pea processors and the opportunity to capitalize on India's seasonal supply deficits provide two strong markets for the investment

Local Market

- **Significant demand exists in the UK and the EU** for Toor Dal, driven by increasing Indian populations in these markets and the growing popularity of Indian cuisine
- The local processing industry has been **unable to leverage this demand** due to an inability to access adequate volumes due to high prices in the local market
 - Prices are driven up by large international traders who purchase and sell pigeon peas to the Indian market, resulting in the domestic **processing sector** operating **under capacity** at ~50% utilization due to its inability to compete for supply
- **Increasing supply locally will support the expansion of the processing sector to meet this growing demand**

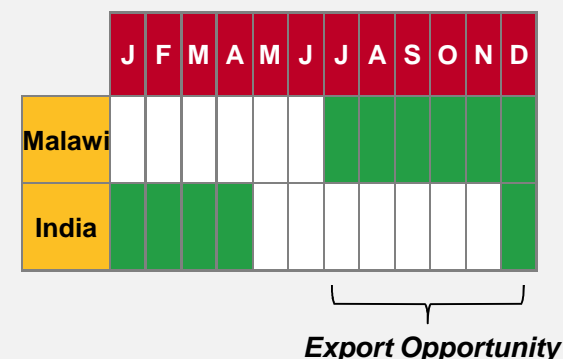
Processing Capacity ('000 MT)¹



Indian Market

- **Prices peak** in November and December when **India experiences a supply deficit**
 - Malawian producers can capitalize on this by **timing exports to meet this gap**, given that Malawi's harvest season is at the time of India's supply deficit
- There has been **significant interest in sourcing pigeon peas from Malawi** for supply to India, e.g.:
 - **ICRISAT²** has brokered a deal, requiring 60,000 MT/annum of pigeon peas to be exported to India
 - **Alfa Corporation**, a major Indian importer, is **looking to Malawi as a supplier**

Annual Harvest Season Comparison



Note: ¹ Capacity estimates obtained through expert interviews; ² International Crops Research Institute for the Semi-Arid Tropics
 Source: Expert Interviews; The Nation newspaper; ICRISAT; CRN India; Monitor Analysis



Investment Overview

Investment Highlights

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The majority of production will be sourced from the anchor farm, and the subsequent ability to supply two output markets will decrease the risk of exposure to price fluctuations

Sourcing Models



- ~82% of pigeon pea supply will be sourced from the anchor farm with the remainder being sourced from the **out-grower** scheme

Products



- High quality, **pigeon peas**

Target Markets



- **Local pigeon pea processors** for processing into Toor Dal
- Asian markets, specifically **India** and **Southeast Asia**
- **South Africa**, where Malawi has **free market access** due to SADC¹ membership

Channels



- Direct sales to **local processors**
- **Commodity exchanges** (local processors and international traders can purchase through the two Malawian exchanges)
- Direct sales to buyers in **export markets** (India, Southeast Asia, SA²)

Price



- Pigeon pea **prices fluctuate** according to the time of year and are **significantly influenced by the Indian market**

Note: ¹ Southern African Development Community; ² South Africa
Source: FAOSTAT; Expert Interviews; Monitor Analysis



Investment Overview

Business Model

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An investor would have full control over all operations, enabling the production of large volumes of consistent, high quality, pigeon peas for sale to the local and export markets

Commercial Drivers

1

Production

Control over production will ensure a **secure supply of large volumes** of high quality pigeon peas. The anchor farm will be able to provide access to **inputs**, as well as **technical assistance to out-growers**, to ensure high yields and consistent, high quality output

2

Products

Large volumes of high quality pigeon peas will be produced. The output will be of **standard and uniform quality**, due to the consistent produce from the anchor farm and education of SHFs

3

Access to Markets

Distinct markets are primed for supply of increased volumes of pigeon peas. **Physical proximity** to local processors facilitates market linkage and decreases transportation costs. **Existing trade** with India and other export markets and the fact that **pigeon peas are not considered a food security crop** by the Government of Malawi will secure and ease access to export licenses and facilitate trade relationships

3

**Domestic Market:
Local Processors**

3

**Global Market:
Bulk Sales to
Export Markets**

2

Pigeon Peas

1

**Production by Anchor Farm
and Out-growers**

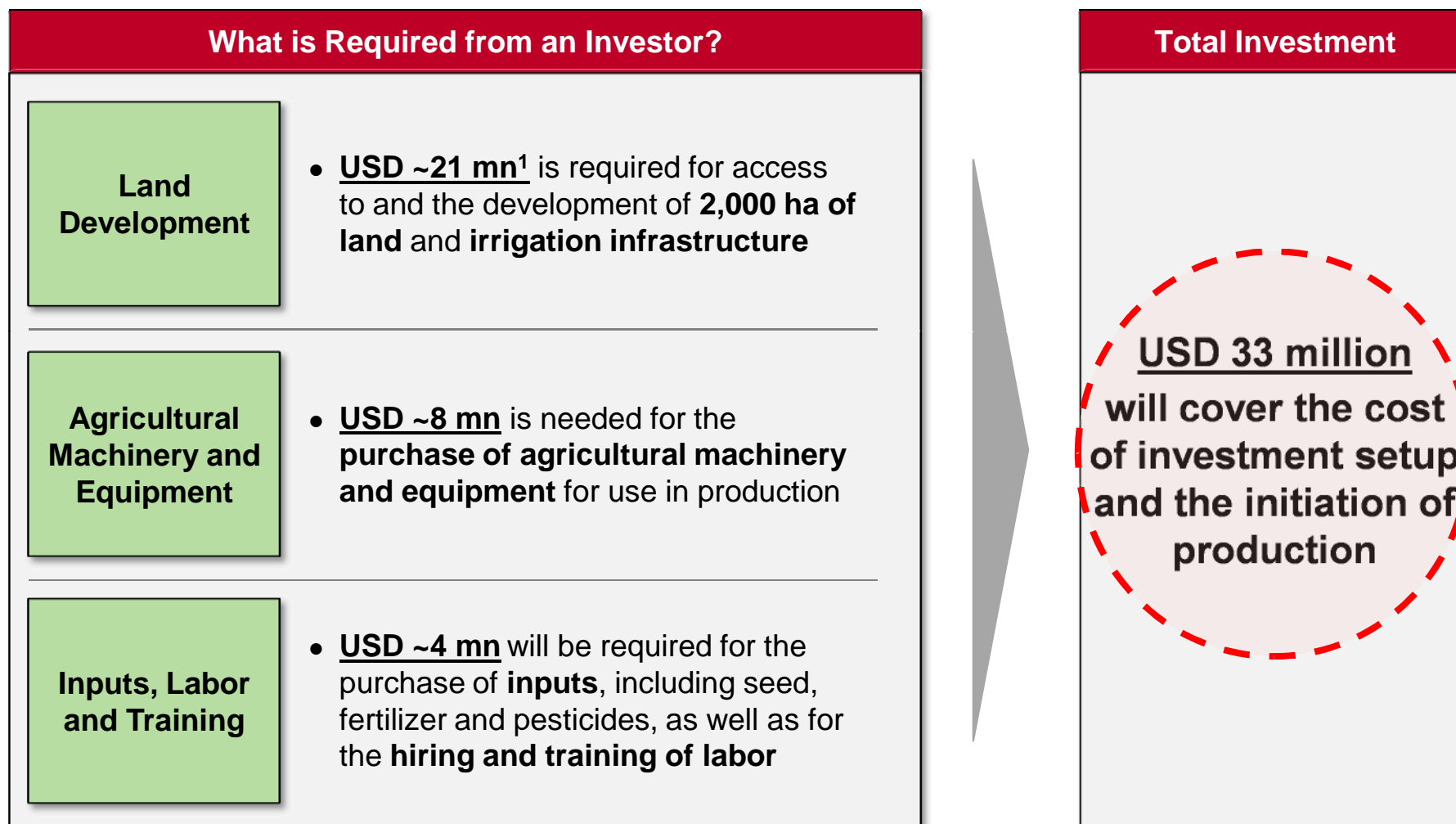


Investment Overview

Investment Required

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The initial investment required is USD 33 million, which will cover the costs of developing the land, purchasing equipment and inputs, and hiring and training a labor force



Note: ¹ Exchange rate of 1 GBP:1.61143 USD

Source: Expert Interviews; Monitor Analysis



Investment Overview

Social Benefit

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The investment will generate employment, benefit SHFs by improving livelihoods, and improve soil health through pigeon peas' nitrogen fixing properties

Employment Creation



Direct employment opportunities will be created through the **establishment of the anchor farm**, which will require laborers to work the land. A **secondary benefit** will be the increased **labor required by processors** due to increased capacity utilization, which will necessitate additional staff

Approximately 2000 SHFs will be **included in the out-grower scheme**, with average land-holding size of about 0.5 ha. These SHFs will benefit from **increased yields** and **improved quality** of output, enabling **revenue increases** through higher sale prices. The SHFs will also **benefit from having a guaranteed buyer**



Improved SHF Livelihoods

Improved Soil Health

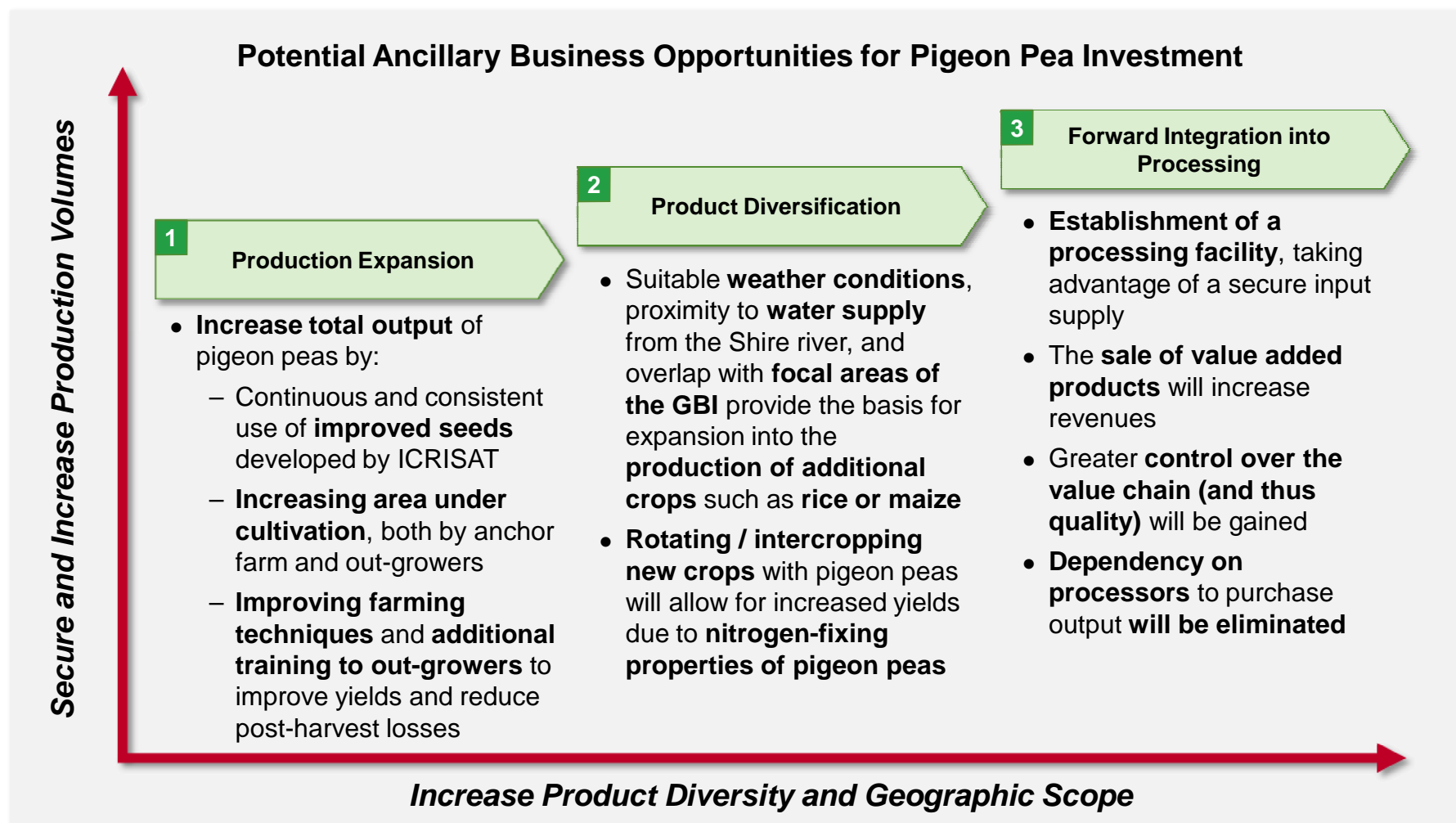


Pigeon peas are an excellent **source of organic nitrogen**, which helps to increase soil organic matter and **improve soil structure and quality**. In addition, their extensive root system makes soil more friable, improves its tilth, and facilitates water infiltration



Long-Term Growth Potential

Long-term growth could be realized by increasing production volumes, diversifying into the production of additional crops, and forward integrating into processing





Key Challenges and Mitigating Strategies

The primary challenge facing an investor is the access to land, however, this can be resolved through direct engagement with the Government of Malawi and the relevant ministries

Key Challenges	Description	High	Med	Low	Mitigation Strategies (Ongoing vs. Planned)
Access to Land	Access to large tracts of continuous land is difficult due to a lack of clarity on processes and ownership rights	★			<p>≈ Direct engagement with the Government of Malawi (GoM) through the MITC¹ and MoLH² is needed for accessing the land</p> <p>≈ The land policy is currently under review by Parliament; results will provide clarity and security on the topic of land ownership</p>
Out-grower Identification	Identifying large numbers of SHFs for supporting the anchor farm can be difficult		★		<p>≈ Leverage farmers unions such as NASFAM³ and FUM⁴ to identify SHF cooperatives</p> <p>≈ Approach local NGOs for additional support</p>
Use of Improved Inputs	Need to increase the use of improved seeds to achieve higher yields and better pest and disease resistance			★	<p>≈ Engage ICRISAT and other seed research institutes to ensure availability and access sufficient supply of improved seeds</p>
Obtaining Export Permits	Bureaucracy surrounding the granting of export permits can be a barrier to timely exports			★	<p>≈ Engage the GoM through the Ministry of Industry and Trade to reduce the length of time required to be granted an export permit</p>
Market Access	Physical access to domestic and global markets is limited		★		<p>✓ Access to local and global markets will be improved by the investment location, in close proximity to local processors and to railway linkages to access the Nacala port for exports</p>
					Legend: ✓ Ongoing ≈ Planned



Pigeon Pea Investment Opportunity

Enabling Environment

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1

Market Opportunity



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Enabling Environment

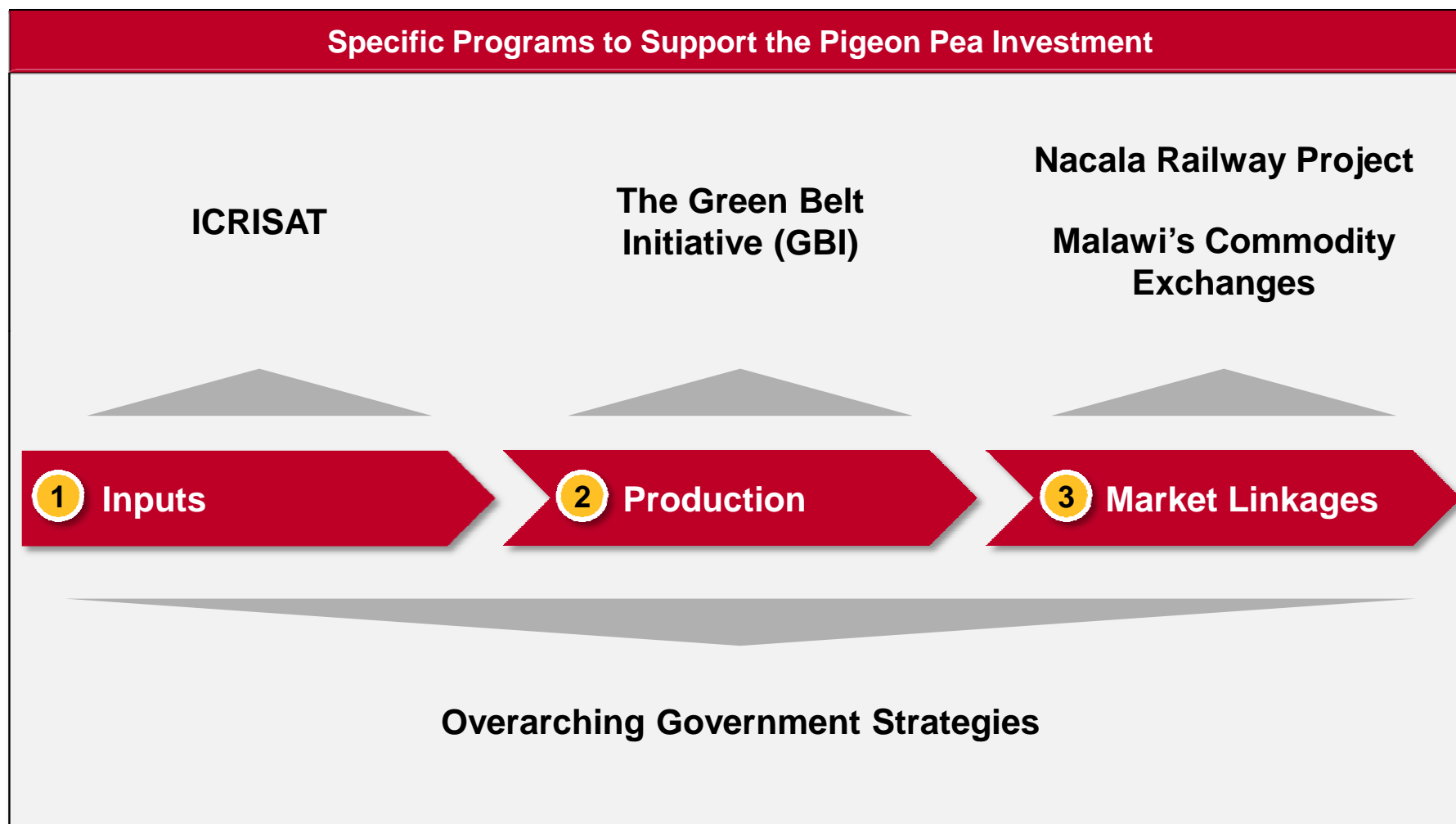


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- These programs will support improvements along the value chain, specifically by improving access to improved inputs, access to irrigation, and market linkages to support the sale of produce both domestically and globally



Enablers for Pigeon Pea Investment

Three sets of programs, focused on inputs, production, and access to markets, will serve as the key enablers for the investment into pigeon pea production





1 ICRISAT – Development of Improved Seeds

ICRISAT is focused on agricultural research and mandated to support the development of improved varieties of pigeon peas for adoption in Malawi and other nations

1 Inputs

- The **International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)** is a **non-profit organization** and member of the Consultative Group on International Agriculture Research (CGIAR)
 - ICRISAT **conducts agricultural research for development in Asia and sub-Saharan Africa** to help overcome poverty, hunger and a degraded environment through better agriculture
 - ICRISAT's **mandated crops** include, chickpea, **pigeon pea**, groundnut, pearl millet, sorghum, and small millets
 - Pigeon pea **research includes Malawi** as a key producing nation in sub-Saharan Africa
- ➔ The **focus of research** conducted by ICRISAT on pigeon peas is the **development of new varieties** that are better suited to the specific environments in which they are grown
- These cultivars include features such as, **drought, pest and disease resistance**, as well as **improved yields**

ICRISAT

Benefit to Investor

Improved access to improved seed varieties that are higher yielding, drought, pest, and disease resistant for both the investor as well as the SHFs in the out-grower scheme



2 Green Belt Initiative (GBI)

The GBI will expand Malawi's area under irrigation which will increase yields and enable year-round cultivation, thus potentially increasing production overall

2 Production

GBI

Benefit to Investor

- The GBI is a **government program** aimed at using the **abundant water resources** in Malawi to increase:
 - Agricultural production and productivity
 - Incomes
 - Food security
- The **GBI is aligned** to Malawi's medium term **poverty reduction and economic development strategy** (MGDS II¹) and is, in effect, the **implementation arm** of ASWAp's² pillar 3, "*Sustainable Agricultural Land and Water Management*"
 - The creation of the GBI was to a large extent driven by Malawi's **overdependence on rain-fed agriculture**, which has left the country open to **weather shocks**, such as droughts and floods, which threaten food security

➔ **Sites marked for development** under the GBI **overlap with the identified area** for the pigeon pea production investment

Access to irrigation will support increased yields, as well as year-round cultivation, allowing two growing seasons per year

Note: ¹ Malawi Growth and Development Strategy II; ² Agricultural Sector Wide Approach

Source: Interviews with the GBI Working Group; Strategic Plan for the Green Belt Initiative, 2011; Monitor Analysis



3 Nacala Railway Project

Once complete, the Nacala railway will provide better access to the Nacala port for Malawi, as well as potentially providing greater transport capacity for increased exports

3 Market Linkages

Nacala Railway

Benefit to Investor

- The **Nacala Railway Project** is funded by Vale¹
- The development is driven by the **need to rehabilitate the Nacala railway** line linking Tete to the Nacala port in Mozambique, to transport coal (and subsequently other produce) from the region
- The **GoM is working with Vale** to facilitate project implementation
 - The GoM has granted Vale a concession for the railway in exchange for Vale to **build, own, and operate** the extension **in a way that benefits Malawi**

- ➔ The **intended outcomes** of the project are to:
- Generate benefits to Malawian citizens by having **access to the transport of general cargo intended for export** and passengers along the Nacala corridor
 - **Increase global market access** through a direct link to the deep water Nacala Port (one of only two in East Africa)

Improved access to global markets through better linkages to the Nacala port

Note: ¹ Brazilian mining company

Source: Malawi Railway Corridor Agreement between the Republic of Malawi and Vale Logistics Limited; Monitor Analysis



3 Commodity Exchanges

The established Agricultural Commodity Exchange (ACE) and Auction Holdings' new commodity exchange will provide direct market linkages to local, regional and global buyers

3 Market Linkages

Commodity Exchanges

Benefit to Investor

- The **Agricultural Commodity Exchange (ACE)** based in Lilongwe currently links SHFs to output markets
- In addition, a **new Commodity Exchange** is being established by Auction Holdings
- Both exchanges **provide support to the agriculture sector** in a number of ways:
 - **Access to information** through price display boards set up in rural areas and provision of information to farmer organizations for dissemination to farmers
 - **Warehousing development**, through the rehabilitation of warehouses across the country
 - **A reliable source of produce**, thus **lessening the risk faced by purchasers** when sourcing produce from SHFs and other sellers

➔ Most importantly, it will provide improved **market access for local producers and processors** through the provision of a **controlled market system**, that is both **safe and reliable**

Provision of a direct market linkage for both domestic and foreign buyers



Overarching Government Strategies

In addition, an investor will benefit from government strategies that encourage agriculture and private sector-led growth, and the development of commercial agriculture and agro-processing

1 2 3 Overarching Government Strategies

- **Agricultural Sector Wide Approach** (ASWAp): focused on agriculture-led economic growth
 - Revitalization of **agricultural research and extension** services will support improvement of SHF farming practices
 - Development of **commercial agriculture** and local **agro-processing** directly supports the pigeon pea investment
- **National Export Strategy** (NES): focused on improving export competitiveness and economic empowerment
 - Development of an **Oil Seeds** and **Manufacturers Cluster** will benefit pigeon peas due to their **legume sharing properties** with soybeans and groundnuts, and the empowerment of the **local agro-processing sector**
- **Trade Sector Wide Approach** (TSWAp)¹: focused on improving the environment for trade with other countries
 - Technical Working Groups will give a **platform for public private cooperation**, and improvement of **trade licenses, standards, and taxes** will facilitate pigeon pea exports

Benefit to Investor

Government support for all stages of the pigeon pea investment is defined and manifested in a number of sector-wide strategies

Note: ¹ TSWAp development still in the planning phase

Source: Ministry of Agriculture and Food Security; Ministry of Industry and Trade



Content

- Why Invest in Malawi
- Pigeon Pea Investment Opportunity
- **Contact Information**



Government Contact Details

For more information about this investment opportunity or other investment opportunities available in Malawi, please contact the representatives below

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